

FEDERAL BUREAU OF INVESTIGATION

62981
3 MAY
1956

Reporting Office NEW YORK	Office of Origin NEW YORK	Date 3/3, 5, 6, 9, 27/56	Report Made By WILLIAM L. HUNTER
TITLE OF CASE NICOLAE MALAXA, was.		CHARACTER OF CASE INTERNAL SECURITY - RU	

Synopsis:

Allegations made NICOLAE MALAXA is a Communist Party Paymaster in the Western Hemisphere and negotiated transfer of atomic information from the United States to the CP; he financed Maria Lima faction of the PIG; he was sent to the United States by the U.S. to carry on psychological sabotage. MALAXA also allegedly contacted Dictator PERON in Argentina for the Kaiser Company to obtain a railroad repair depot concession. MALAXA left suddenly when PERON overthrown. Detained by US INS upon arrival for determination of the validity of his immigration visa obtained 9/26/53.

- P -

DETAILS:

On August 29, 1955, a report by the Assistant Chief of Staff G2, Intelligence, First Army, Governor's Island, New York 4, New York, dated July 25, 1955, was made available. This report reflected that on July 1, 1955, MICHAEL JAGNIT, President of Mexigrip Incorporated,

Approved	Special Agent in Charge	Do not write in spaces below			
Copies made: 5 - Bureau (100-344488)(PM) 1 - INS, NYC (FM) 2 - Washington Field (100-18922) (Info)(RM) 3 - New York (100-87286)		This is an FBI investigative report and is not to be used for any other purpose.			

Property of FBI - This report is loaned to you by the FBI and neither it nor its contents are to be distributed outside the agency to which loaned.

CONFIDENTIAL

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY FOR COORDINATION WITH
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2004 2006

FBI

NY 100-87286

504 East 74th Street, New York, New York, furnished information concerning NICHOLAS MALAXA, a former native of Rumania whom he knew in Europe. The witness referred to MALAXA as a Communist Party (CP) member known as the "butcher man" for the CP in Rumania.

A rumor related to AUSHIT by Mr. ZISSU, who is connected with the "Rumanian Free Movement" in the United States revealed in effect that MALAXA recently received two million dollars from the CP to finance the recent revolt in Buenos Aires against the PERON Government. In addition, MALAXA was said to be utilized as a Paymaster for the CP in the Western Hemisphere. It was also rumored that prior to a trip to Argentina in the near past MALAXA went to Switzerland where he negotiated for the transfer of atomic information from the United States to the CP.

The Communist Party has been designated by the Attorney General of the United States pursuant to Executive Order 10450.

On September 16, 1955, T-1, a Rumanian prominent in Rumanian refugee circles in the New York area, advised upon reflection that some years ago MALAXA received a sum, approximately in the amount of two million dollars, in reparation for the seizure of some of his property in Rumania. T-1, however, had no knowledge of any such sum recently received by MALAXA.

T-1 related MALAXA had been in Argentina at the time of the unsuccessful outbreak directed against the PERON Government. At the same time there was an official Rumanian trade or similar type group in Argentina and the source pointed out the peculiar coincidence of this occurrence. The source, however, disclaimed any knowledge concerning a connection between MALAXA and the outbreak of the Argentine revolt.

NY 100-87286

This informant advised MALAXA had gone to France from Argentina. T-1 was unaware MALAXA had gone to Switzerland. The source could only speculate that if MALAXA went to Switzerland, it must have been to promote legal action to prevent Mr. ALEXANDRE BRETZIANU from obtaining possession of former Royal Rumanian Government funds placed in his possession and custody as Rumanian Minister to Turkey just prior to the Communist seizure of control in Rumania.

This attitude on the part of MALAXA is well known among Rumanians in general, according to T-1. The source considers it an indication MALAXA is collaborating with the Rumanian Government in its efforts to gain control of the money.

Information obtained from T-2, who has furnished reliable information in the past, was made available on July 27, 1953. According to this source, the diary of Count SZEMERUK, former Under Secretary for Foreign Affairs of Poland, published in Paris by FLOE, entitled "Journal, 1933-1939", on pages 418 and 419 under date of February 12, 1939, reflects a conversation between Count SZEMERUK and the Polish Ambassador to Rumania. The Polish Ambassador commented that Germany had succeeded in acquiring the sympathy of MALAXA, who had recently ascended to the first rank of Rumanian economic life and was to a certain point an agent of the German interests.

T-2 stated that in early 1939 MALAXA was sent by King CAROL of Rumania to Berlin to smooth over tension which had arisen as a result of the shooting of CODREANU, head of the Rumanian Iron Guard (RIG). MALAXA was considered to be the only Rumanian close enough to the Nazi leadership to succeed in such a mission.

On May 15, 1953, T-2 made available, in narrative form, material describing the RIG as a totalitarian movement which started in Rumania early in the 1920's. According

NY 100-87286

to T-2, the RIG utilized murder and violence to obtain power since appeal was never made to the mass of the people in a democratic manner.

On October 13, 1955, T-2 furnished the information that one ADOLPH KAUFMANN, a former Rumanian national who had been a member of the Rumanian (Anti-German) Underground and who currently resides in Argentina, was then visiting the United States on business. KAUFMANN commented to a small group, including the source, that MALAXA had gone to Argentina representing the Kaiser Company interests. MALAXA was attempting to obtain an Argentine Government concession to build a railroad repair depot. MALAXA managed to obtain an introduction to Dictator PERON through STOIL DINOVICE, a former Yugoslav Prime Minister and a pro-Nazi. There was little result from this contact since PERON was preoccupied with the situation concerning the revolt against his regime in June 1955. MALAXA departed from Argentina abruptly when PERON was overthrown.

On March 27, 1954, T-4, a self admitted former charter member of the RIG, advised concerning the Soviet penetration of the RIG. According to this source, a section of the MVD (Soviet Ministry of State Security), in 1951, had infiltrated the RIG. This group was known as the IVO KINOSHER.

According to this source, one, PANICA NASTASESCU, alias COMU PANICA in league with NICOLAE MALAXA, ELENA LUPESCU, ERESESTURDAREANU, LUCIA CARADJA and ONE LORENIAN originated all assassinations committed or attempted by the Sinists (Boria Sima faction of the RIG) during the regime of King CAROL II. NICOLAE MALAXA financed the terrorist group and especially Boria Sima. MALAXA, presently in the United States, was sent by the Union of Soviet Socialist Republics to carry on psychological sabotage on a high plane.

NY 100-87236

T-4 also stated the Horia Sina faction of the RIG is a "present deadly fifth column" in the United States; that the RIG fronts as an "Anti-Communist organization", but is, in reality, the "real underground" Communist element in the United States and Canada and supplies the Communist Party, USA, with funds, but having no apparent contact "for obvious reasons" with the Communist Party.

T-4 further advised that a radiogram from Moscow had been intercepted by the (Romanian) Armed Forces during the war which after having been deciphered, showed that the industrialist engineer, NICOLOAE MALAKA, had set aside an immense fund for the realization of Romania's retreat from the war against Soviet Russia. MALAKA issued this fund to the Sinist groups and Soviet agents.

T-5, who has furnished reliable information in the past, advised on July 26, 1954, of having met with T-4 on July 19, 1954, in Toronto, Canada. In the course of their conversation T-4 furnished the names of a number of members of the Romanian Orthodox Church priesthood, who are present adherents of the Horia Sina Communist faction of the RIG and connecting links in the financial chain channeling Communist funds into the United States from Russia, Rumania, and Spain. Among those mentioned was the Reverend VASILE STANESCU, who was described as the liaison officer between NICOLOAE MALAKA and the RIG-Romanian Orthodox Church. T-4 stated that his knowledge in this matter was "personal and infallible".

On January 24 and 25, 1955, T-6, who had close association with members of the RIG in Rumania in the Bortock and Buchenwald Concentration camps; in Italy and in the United States, advised of his knowledge of the RIG. It was the conclusion of T-6 that NICOLOAE MALAKA had never been a member of the RIG.

Bishop MICHAEL, the Rumanian Orthodox Episcopate, in the course of interviews in Detroit, Michigan, on February 19-21, 1954, by SA J. J. CAGAN and SA J. J. CAGAN, advised that NICOLAE MALAXA had been given some sort of a monopoly in the Rumanian Arms Industry by King CAROL. During the ANTONESCU regime, MALAXA had become involved in the economic policies of the (Rumanian) Government which policies were designed to nationalize the large Rumanian industries to save them from German domination. In order to save his industry, MALAXA had approached the Iron-Guard movement (FIC) to get the support of the legionnaires and play them against the FIC. For unknown reasons he did not succeed.

Bishop TRILA stated that MALAXA then approached the German occupation forces and offered them shares in his enterprise, but because it was at this time that the (FIC) revolution started, TRILA did not know the outcome.

On April 18, 1954, T-1 advised concerning DRAGAN, a Rumanian businessman, who became an Italian citizen. DRAGAN visited the United States and among those he contacted was NICOLAE MALAXA.

According to T-1, DRAGAN is still deeply involved in Rumanian affairs. He is a supporter of Horia Sima and many of DRAGAN's employees are members of the "Iron Guard" of the HIC.

On May 18, 1954, Mr. MICHAEL TAPCARANU, in an interview with SA PHILIP H. SHERMAN, advised concerning NICOLAE MALAXA, that he and DRAGAN (brother of DRAGAN ADRIAN) are controversial figures and both have supporters who make "wild statements and accusations."

Mr. TAPCARANU furnished a sketch of MALAXA's background which included comment on the rivalry existing between MALAXA and ADRIAN. Included was detail pertaining to the manner in which both individuals arrived in the United States. According to the source, in 1946 the Rumanian Government desired a loan of United States funds and sent MALAXA and ADRIAN to negotiate. At that time the

NY 100-87286

Rumanian Government was about half Communist controlled and half Rumanian although completely Communist dominated.

MALAXA and AUSNIT refused to return to Rumania and remained in the United States. They renewed their feud in the United States and still accuse each other wildly and without justification.

Mr. PARCASANU said that in his opinion both men are anti-Communist, but are opportunists who would deal with Communists for business reasons.

On June 28, 1955, T-3, who has furnished reliable information in the past, made available a telephone notebook maintained by JOHN G. BROADY (for 1949) which reflected the name of NICOLAE MALAXA on page 22.

BROADY was indicted for having conducted wire tapping operations in the New York area.

On October 17, 1955, EDGAR AUSNIT related to SA WILLIAM E. NUMMEY that JOHN BROADY had advised AUSNIT's attorney he had tapped AUSNIT's telephone for NICOLAE MALAXA.

On October 12, 1955, SA WILLIAM E. NUMMEY reviewed the New York file of the Immigration and Naturalization Service (INS) pertaining to NICOLAE MALAXA. This reflects that MALAXA was accorded a hearing on August 15, 1951, at Washington, D.C., for Adjustment of Immigration Status. The conclusion reached was that MALAXA had been lawfully admitted to the United States as a non-immigrant visitor. In addition it was found MALAXA was not excludable from the United States under any provisions of the Immigration laws.

A formal order was recorded to the effect that the alien's application for adjustment of his immigration status, under the provisions of Section 4 of the Displaced Persons Act of 1948, as amended, be granted. It further stated that if Congress approves the granting of the status of permanent residence to the alien a record of permanent residence be created as of the date of the alien's last entry, and the alien, if a quota immigrant at the time

NY 100-1210

on entry, he charged to law to violate quota as provided by law.

1. Mr. [redacted] testifies that Mr. [redacted] 33-37 1st Street, Jackson Heights, by letter dated June 15, 1952, advised he had been requested by persons hostile to [redacted] to make available information in his possession regarding the subject. Mr. [redacted] related he had caused an application to be made to the [redacted] family in Rumania to effect their escape. The [redacted] family, his brother, [redacted] was turned down and several days later the [redacted] family arrived in Istanbul, Turkey, via an Italian ship, traveling with an Italian passport under the name of [redacted].

(b) Mr. [redacted] contended it was impossible for them to have secured the Rumanian Government, as he believed high government officials had been asked to permit them to leave the country with valid Rumanian exit visas.

At the above mentioned hearing on August 15, 1951, MAX [redacted] testified under oath he had no personal knowledge as to whether MAX [redacted] actively collaborated with the Nazis in Rumania.

NY 100-8720

The files of INS contain a memo dated October 28, 1954, reflecting MALAXA was pre-examined at Washington, D.C., on September 24, 1953. He re-entered the United States at Poughkeepsie, New York, from Canada on September 26, 1953, at which time he was lawfully admitted for permanent residence upon presentation of a Dominican quota immigrant visa issued under the First Preference provided for by Section 203 (A) (1) (4) of the Immigration and Naturalization Act.

On August 5, 1955, INS circulated an intra office teletype instructing all ports of entry to be notified immediately, information received MALAXA MALAXA had obtained a visa by fraud. Investigation of the information was in progress and if MALAXA applied for admission he was to be held pending instructions concerning detention.

On December 15, 1955, the New York Mirror columnist ROBERT ARON wrote a column concerning MALAXA in which he called attention to a number of Government figures with whom MALAXA allegedly had connections. It was set out that MALAXA had made a trip abroad and was due to return as his re-entry permit would expire on December 16, 1955.

The New York Herald Tribune on December 17, 1955, carried a news item reflecting the Immigration Service had ordered MALAXA to remain in Florida pending a determination as to his admissibility to the United States. The Immigration Service revoked MALAXA's re-entry permit in October but a Federal Court ruled the action was unjustified.

The New York World Telegram and Sun on February 16, 1956, in a news item reflected the transfer of the Immigration Service hearing on MALAXA from Miami, Florida, to New York.

62981

~~CONFIDENTIAL~~

NY 100-24256

MAL/KA was permitted to travel to New York, but no other part of the country. The hearing was scheduled to resume in New York on February 28, 1956.

- Pg -

- 10 -

~~CONFIDENTIAL~~